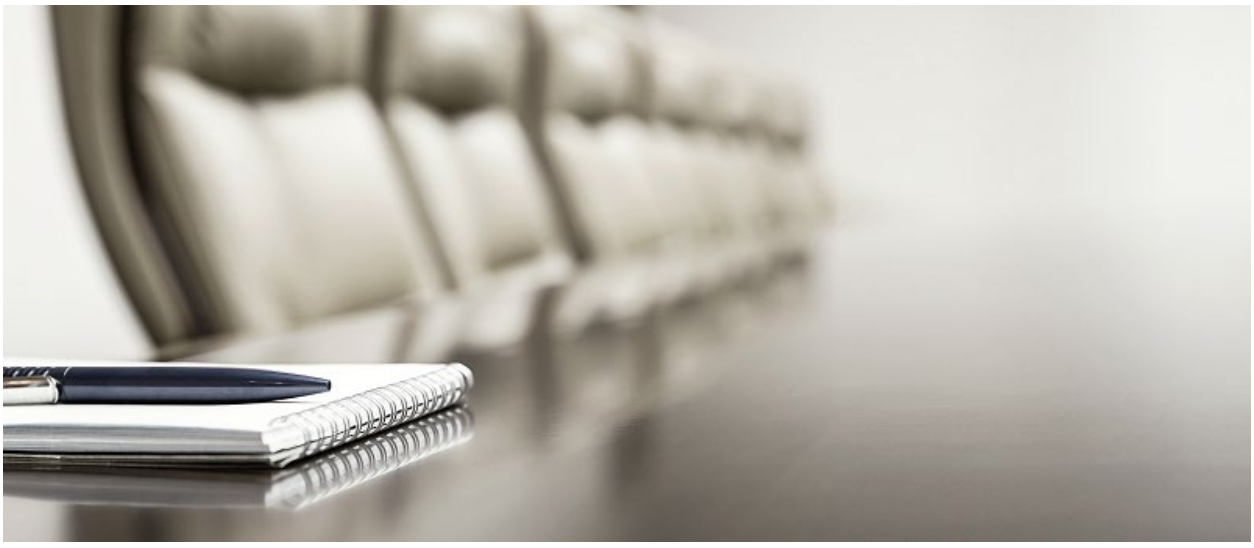
THE POLICE CREDIT UNION

Board of Directors

Candidate Application Package



The Police Credit Union is a full-service financial institution offering solutions that help our members realize their dreams today and plan for tomorrow. With competitive rates and our attractive REWARDS program, Police Credit Union members know they are part of a large family.

Our philosophy since 1946 has always been ***"not for profit - but for service"*** and we hold to that commitment today. Our mission and co-operative principles remain the backbone of our strategic planning and are reflected in our slogan ***"taking care of our own."***

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Letter from the Chair of the Nominating Committee

Dear Prospective Board Candidate:

Thank you for your interest in serving as a Director of **The Police Credit Union (TPCU)**. We value the dedication and commitment of our members, particularly those who choose to participate in our nomination and election process.

This package outlines the qualification criteria, expectations, and nomination process for candidates.

Key Dates:

- **Application Deadline: January 27, 2027** (midnight, via email or 5 PM delivered to branch)
- Interviews: Week of February 3, 2027
- Election: April 9–25, 2027 (electronic voting)
- AGM & Results: April 26, 2027

To apply for nomination as a Candidate, please complete the Candidates Application Package and submit your application, including all required documents, by the application deadline.

Submit your application by email *or* deliver to a branch in person:

- Email to: ChairoftheNC@tpcu.on.ca
- Delivery to branch addressed to: Chair, Nominating Committee, The Police Credit Union, 111 Gordon Baker Road, Suite 1001, Toronto, ON M2H 3R1

Questions? Contact: ChairoftheNC@tpcu.on.ca

Ideal Director Profile

A candidate must meet the following eligibility requirements:

- Member of TPCU for at least one year
- 18 years or older
- Canadian citizen or permanent resident
- Holds 20 equity shares ($100)
- Not an employee, former employee (within 2 years), or related to an employee
- Not disqualified under the Credit Unions and Caisses Populaires Act, 2020 ("ACT)

See also **Appendix A** for additional details on qualifications and disqualifications for TPCU Board Directors.

Competencies a candidate should process or commit to acquire:

- Financial acumen (ability to interpret financial statements, budgets, audit processes and risks)
- Strategic thinking (contribute to long-term planning and decision-making)
- Governance & ethics (commitment to transparency, accountability, and conflict-of-interest policies)
- Leadership & collaboration (teamwork, consensus-building, and independent judgment)
- Regulatory compliance (understanding of Financial Services Regulatory Authority ("FSRA) rules, Ontario Regulation 105/22, and TPCU by-laws)

Board Candidates are not expected to be strong in all competencies immediately. The Board allocates funds for training and development to acquire these competencies as needed. Each Director is expected to perform an annual assessment to prepare a development and training plan to meet and maintain their Director Competency Levels. See also ***Appendix C*** for more detailed descriptions of core competencies.

Time Commitment

Commitment	Approximate Time
Board Meetings	7/year (3–4 hours each + prep)
Committee Meetings e.g. Audit, Policy, Governance, Nominating, Scholarship	6–12/year (1–2 hours each)
AGM & Planning Seminar	AGM 1 day (late April) Planning Seminar 3 days (September)
Training: Mandatory CUDA Program (3-year completion requirement)	Varies – typically 2-4 hours per course
Community events e.g. presentations to recruit classes, attending police functions such as retirements, award ceremonies	As required

Remuneration:

- Honorarium for Directors
- Additional retainer for Board Chair/Audit Committee Chair
- Reimbursement for travel, training, internet, reasonable expenses
- Laptop provided

Nomination Process

Steps to Apply

1. **Complete the Application Package**. A complete application package includes:
    - Schedule A (Nomination Form)
    - Schedule B (Undertaking + Statement of Interest + Résumé + Photo)
    - Schedule C (Conflict of Interest Disclosure)
    - Schedule D (Material Contracts Disclosure)
    - Schedule E (Self-Assessment)
    - Schedule F (Consent for Personal Information Use)
2. Submit complete Application Package by the deadline:
    - By Email to: ChairoftheNC@tpcu.on.ca (by midnight); or
    - By Mail/Delivered to: The Police Credit Union, 111 Gordon Baker Road, Suite 1001, Toronto, ON M2H 3R1 ATTN: Nominating Committee Chair – CONFIDENTIAL
3. **Attend Interview**: Candidates are required to attend an interview with the Nominating Committee (in-person, phone, or video conference).
4. **Provide additional information** if requested (e.g. complete online form to determine bondability)

Recommendation: The Nominating Committee will recommend candidates who meet eligibility and skill requirements and attend the mandatory interview.

Election: All eligible candidates will appear on the ballot and their information will be available to the membership on the TPCU website prior to voting.

Campaigning & Election Rules

TPCU will make election information available on the TPCU website and in TPCU branches, including information about each candidate

Prohibited Activities

- No formal campaigning (e.g., announcements, solicitations, or promotions).
- No communication between candidates about the election.
- Incumbents may only discuss election matters in their official capacity as Directors.

Election Process

- Voting: Electronic in advance of AGM (see dates above); no nominations from the floor
- Results: Announced at AGM (candidates will be notified earlier in the day)
- Term: 3 years unless otherwise noted (maximum 5 consecutive terms); begins immediately after the AGM

Candidate Application Package - Required Forms

A complete Application Package includes:

- ☐ Schedule A (Nomination Form)
- ☐ Schedule B (Undertaking + Statement of Interest + Résumé + Photo)
- ☐ Schedule C (Conflict of Interest Disclosure)
- ☐ Schedule D (Material Contracts Disclosure)
- ☐ Schedule E (Self-Assessment)
- ☐ Schedule F (Consent for Personal

A complete Application Package **MUST** be received by email ***or*** delivered in person to a TPCU branch or head office **by the published deadline**.

Email to: ChairoftheBoard@tpcu.on.ca by midnight; or

Deliver to: TPCU branch or head office by 5 pm addressed to:

CONFIDENTIAL
The Police Credit Union
111 Gordon Baker Road, Suite 1001
Toronto, ON M2H 3R1
ATTN: Chair, Nominating Committee

Additional Requirements
Candidates may also be asked to complete an online background check through a third-party supplier. Candidates will be required to provide personal information and disclose any criminal convictions. TPCU will provide additional information about completing this process to candidates who meet all other requirements.

Schedule A – Application for Nomination

Candiates must be nominated by a current member of TPCU.

Candidate Information:

Candidate Name: _____

Address: _____ City/Prov: _____ Postal Code_____

Phone: (h) _____ (w) _____ (c) _____

Email Address: _____

Nominator Information:

I nominate the above person as a candidate for election to the Board of Directors.

As a nominator, I confirm the following:

- I have been a member in good standing of The Police Credit Union for the last 12 consecutive months
- I am over the age of 18 years, a Canadian citizen or permanent resident and currently reside in Canada
- I am not, and no member of my immediate family is or has been, an employee of TPCU during the last two years or a Director of TPCU

Nominator's Name: _____

Address: _____ City/Prov: _____ Postal Code_____

Phone: (h) _____ (w) _____ (c) _____

Email Address: _____

_____ _____

Nominator's Signature Date

Schedule B – Candidate's Undertaking

I, _____, solemnly undertake to:

- Stand for election and serve as a Director if elected
- Comply with the Credit Unions and Caisses Populaires Act, 2020, TPCU by-laws, and FSRA regulations
- Observe the Code of Conduct and Ethics, including conflict-of-interest guidelines
- Provide full financial disclosure as requested
- Resign if I no longer meet eligibility requirements

I have included with this application:

1. Statement of Interest (≤300 words) including:
    - Personal/professional background
    - Reasons for seeking election
    - Why members should vote for me
2. Résumé (including experience, community involvement, police service affiliations)
3. Photograph (5"x7" at 300 dpi, neutral background, head/upper body, colour)
4. All other requirements, including completed Schedules A,C,D,E,F

By signing this Application for Candidate's Undertaking, I consent to TPCU reviewing any of my financial information on file at TPCU, and to conducting a credit check on my behalf for the purpose of determining my eligibility for election to the Board. I further acknowledge that, as a director of an Ontario credit union, I am required to be bondable and consent to TPCU taking such steps as may be necessary to verify that I meet the applicable bondability requirements. I understand that such steps may include TPCU directing me to complete an online criminal background check administered by a third party company (Sterling Backcheck).

Candidate's Signature: _____ Date: _____

Schedule C – Declaration of Economic Interests

I am giving this declaration to assist TPCU in complying with statutory and regulatory requirements relating to transactions with **Restricted Parties**, **Connected Persons**, **Related Parties** and known **Conflicts of Interest**. I understand that my responses may not elicit answers that will disclose all my relatives who may be Restricted Parties under s. 92 of Ontario regulation 105,22 under the Credit Unions and Caisses Populaires Act, 2020 nor all my relatives who may be Related Parties under IFRS – IAS 24 – Related Parties.

As a Director, I will disclose to the Board my connection to any relative who has a material contract or loan with TPCU as soon as I become aware of it and any subsequent change to the following information.

Disclosure Requirements – Please disclose the names of the following (For definitions of Restricted Party, Related Party, and Connected Person, see Appendix B):.

Spouse/Common Law Partner (if applicable) _____

Any financially dependent family members who live in my home including, if applicable, spouse/partner/children/other relatives and other "close family members" who are expected to influence or be influenced by me: _____

Corporations where I own more than 10% voting shares (state company name and % owned):

_____

Corporations where I own 50% or more of voting shares (state company name and % owned):

_____

Corporations where my spouse/relatives own 50% or more of voting shares:

_____

Entities where I serve as Director/Officer: _____

Partnerships where I am a partner (state %): _____

Trusts/estates where I have a substantial beneficial interest: _____

Non-relative members for whom I have provided financial assistance, including a guarantee or co-signature for loans from TPCU:

_____

Any declaration I have made above identifying an entity or person in which I have an interest is notice to the Board of that interest. If TPCU enters into a contract or agreement with any entity or person I have disclosed, I should be made aware of it so that I can consider whether the contract or agreement affects my declaration of interest.

Acknowledgment

I confirm that this declaration is complete and accurate and will update TPCU if any changes occur.

Signature: _____ Date: _____

Schedule D – Requirements to Disclose

Disclose if you (or a related party) are:

- A party to a material or proposed contract with TPCU
- A Director/Officer of an entity in a material contract with TPCU
- Have a material interest in such an entity

Details (if applicable): _____

Candidate Signature: _____ Date: _____

Schedule E – Area of Expertise Assessment

The following is a list of competencies that a Director should possess or should commit to acquire through training and experience. See **Appendix C** for a more detailed description of these competencies.

Rate your current competency in the following areas (N/A, Basic, Good, Strong, Expert) by checking the appropriate box:

Competency	Rating				
	N/A	Basic	Good	Strong	Expert
1. Audit & Compliance Oversight: Monitor audits for compliance with policies, regulations, and sound business practices	☐	☐	☐	☐	☐
2. Board & CEO Performance: Assess Board/CEO performance and align compensation with strategic goals	☐	☐	☐	☐	☐
3. Credit Union Operations: Understand TPCU's infrastructure, services, and risk management	☐	☐	☐	☐	☐
4. Financial Literacy: Interpret financial statements, budgets, and regulatory requirements	☐	☐	☐	☐	☐
5. Governance & Ethics: Uphold transparency, accountability, and co-operative principles	☐	☐	☐	☐	☐
6. Leadership: Foster collaboration, consensus, and strategic decision-making	☐	☐	☐	☐	☐
7. Regulatory Environment: Comply with the Act, FSRA rules, and TPCU by-laws	☐	☐	☐	☐	☐
8. Risk Management Oversight: Oversee Enterprise Risk Management (ERM) and mitigate significant risks	☐	☐	☐	☐	☐
9. Strategic Planning: Contribute to long-term vision, goals, and objectives	☐	☐	☐	☐	☐
10. Securitization: Understand securitization principles, risks, and oversight	☐	☐	☐	☐	☐

Schedule F – Consent for Use of Personal Information

Consent for collection, use, and disclosure of personal information and publication of photographs, biographical and/or other personal information provided to TPCU:

I, _____, authorize TPCU to:

Collect, use, and disclose my:

☐ Image, including photographs and video

☐ Biographical information

☐ All of the above

For the following purposes:

☐ TPCU elections

☐ TPCU website/social media

☐ Print/digital media including newsletters, presentations, annual report

☐ All of the above

This consent applies to all future uses and disclosures for the purposes set out above. I understand that this consent is in addition to, and not in substitution for, any other consent, express or implied, which I have given TPCU to collect, use, and disclose my personal information. This consent may be withdrawn by contacting TPCU using the information above.

If I withdraw consent, I acknowledge that existing publications will not be withdrawn from circulation.

Personal information held by TPCU will be retained and destroyed in accordance with TPCU's retention of records policies and privacy legislation.

Personal information does not include work product information or contact information as defined by privacy legislation. Consent is not required to use or disclose work product information or contact information.

Signature: _____ Date: _____

Key Contacts & Resources

Nominating Committee Chair: ChairoftheNC@tpcu.on.ca

TPCU By-laws: Available upon request

FSRA Regulations: www.fsrao.ca

Credit Unions and Caisses Populaires Act, 2020: Ontario Laws

Appendix A – Director Eligibility Requirements

Director Eligibility

To be eligible for election as a Director, a canadidate must meet the requirements of the *Credit Unions and Caisses Populaires Act, 2020*, 2020 (CUCPA 2020), Ontario Regulation 105/22, and TPCU's by-laws which together govern director eligibility, disqualification, and election procedures for Ontario credit unions. As of the last day of the Nomination Period, a candidate must:

- has been a member of the Credit Union for at least six (6) consecutive months, is at least eighteen (18) years of age, and is a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada;

- has been a member in good standing, and all of the member connections associated with the member have been members in good standing, continuously for a period of time equal to the lesser of the preceding six (6) months and the period of actual membership;

- who has not completed a period of 15 consecutive years of service as a Director less than one year before that timehas not served as a Director of the Credit Union for more than five (5) consecutive terms or fifteen (15) consecutive years, whichever is greater. , The Credit Union will deem a director who resigns in the final year of the director's current term as having completed that term. Without limiting the generality of the foregoing, a director shall not be disqualified from seeking election to the Board for a term which would result in the director serving on the Board for longer than 15 consecutive years, and the director shall be permitted to complete that term if elected, but shall not thereafter seek election until the director has not served on the Board for at least one year;;

- is not then an employee of the Credit Union, or is a former employee of the Credit Union who has not been employed by the Credit Union in the two (2) years immediately preceding the last day of the Nomination Periodthat time;

- is not then the spouse, parent, or child of an employee of the Credit Union, or of a former employee of the Credit Union if that former employee has been employed by the Credit Union in the two (2) years immediately preceding the last day of the Nomination Periodthat time;

- is not disqualified under the Act;

- if an incumbent Director, has not failed, without being excused by the Chair, to attend three consecutive regular meetings of the Directors within the preceding twelve (12) months; and

- is free of any real or perceived conflict of interest that might reasonably be expected (based on a legal opinion) to prevent them from acting in the best interest of the Credit Union as a whole, and independently of any particular interest arising as a result of any previous, existing, or future relationship with the Credit Union, its members, customers, competitors, or suppliers.

Director Disqualifications

Under section 84 of the *Credit Unions and Caisses Populaires Act, 2020* and section 29 of O. Reg. 105/22, an individual is disqualified from serving as a Director if the individual:

1. Has had their membership in any credit union terminated, other than voluntarily.
2. Has been found under the *Substitute Decisions Act, 1992* or the *Mental Health Act* to be incapable of managing property, or has been found by a court in Canada or elsewhere to be incapable.
3. Is an undischarged bankrupt or was discharged from bankruptcy within the five years before the date on which the individual may be elected as a Director.
4. Is unable to obtain bonding insurance satisfactory to the Chief Executive Officer.
5. Is more than 90 days in arrears on a debt owed to TPCU, unless TPCU has agreed to extend the repayment period.
6. Is a listed person within the meaning of the *United Nations Suppression of Terrorism Regulations* under the *United Nations Act* (Canada).
7. Has been convicted, within the five years before the date on which the individual may be elected, of an offence described in section 29(3) of O. Reg. 105/22 and has not received a pardon.
8. Had their membership in a professional association terminated for professional misconduct within the five years before the date on which the individual may be elected.
9. Is an employee of TPCU or of a central in which TPCU is a member, or is the employee's spouse, parent or child.
10. Is a professional advisor who provides services to TPCU in their professional capacity, or who provided such services during the three years before the date on which the individual may be elected.
11. Is an employee, Director or officer of the Financial Services Regulatory Authority of Ontario (FSRA).
12. Is a public servant employed under Part III of the *Public Service of Ontario Act, 2006* whose duties include regulating credit unions.
13. Has not met the Director training requirements or qualifications established by TPCU.
14. Has not met a reasonable condition or qualification established in TPCU's by-laws.
15. An individual who becomes disqualified after being elected ceases to hold office in accordance with the Act and applicable regulations.

Appendix B – Definitions

Restricted Party *(RP):* A person or entity is "restricted" in relation to TPCU if they are or have been within the last 12 months:

a) a director or officer of TPCU
b) a spouse of a director or officer of TPCU
c) a relative of a person described in (a) or (b) above, if the relative lives in the home of the above and is financially dependent on the person described in (a) or (b)
d) a corporation/partnership in which a person described in (a) beneficially owns, directly or indirectly, more than 10% of the voting shares; or
e) a corporation/partnership controlled by a person described in (a), (b), (c), or (d) above

Relative*:* Means a relative by blood, marriage, or adoption.

Connected Persons *(CP):*

1. In relation to a member, another person or entity is a "connected person," if he or she or it is one of the following:
   a) a corporation in which the member holds or beneficially owns, directly or indirectly, at least 35% of the voting securities
   b) an affiliate* of a corporation described in (a),
   c) a person or entity that has a 50% interest in a partnership in which the member also has a 50% interest.
   d) a partnership in which the member is a partner
   e) a trust or estate in which the member has a substantial beneficial interest
   f) a trust or estate in respect of which the member serves as a trustee or in a similar capacity
   g) a person or entity on whose financial resources the member depends on to repay a loan to TPCU.; or
   h) a person or entity that provides security to TPCU for a loan to the party.

   In the case of loan applications, if the loan applicant is the core party or one of the persons or entities named below, the loan application must clearly identify the applicant as a Restricted Party and be referred to the Member Credit and Investment Manager at Corporate Office, whether or not the loan is within branch limits. The application may or may not require Board approval.

* "**Affiliate**" means when one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.

2. In relation to a member who is an individual, another individual is a CP of the member if that other individual is one of the following:
   a) a spouse of the member who is financially dependent on the member
   b) a relative of the member or of the member's spouse who lives in the same home as the member and who is financially dependent on the member or the member's spouse.

Conflict of Interest*:* Applies when a Director or Officer is/has:

a) a party to a material contract or proposed material contract with TPCU.
b) a Director or officer of an entity that is a party to a material contract or proposed contract with the Police Credit Union Ltd.
c) a material interest in a person who is a party to a material contract or proposed material contract with the Police Credit Union Ltd. or

d) a spouse, parent or child of an individual who is a party to a material contract or proposed material contract with the Police Credit Union Ltd.

***Related Party** (RLT.PTY):*

A person or entity is related to the Police Credit Union Ltd. in connection with the preparation of its financial statements if:

a) the person or a close member of that person's family has control or joint control over the Police Credit Union Ltd.
b) the person or a close member of that person's family has significant influence over the Police Credit Union Ltd.
c) the person or a close member of that person's family is a member of the key management personnel of the Police Credit Union Ltd. (Executive leadership team, Board of Directors, and Officers of the Police Credit Union Ltd.; or
d) the entity (a corporation/partnership) is controlled or jointly controlled by a person identified in a), b) or c).

Close members of the family of a person described in a), b) or c) above are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Police Credit Union Ltd. and include:

a) that person's children and spouse or domestic partner
b) children of that person's spouse or domestic partner; and
c) dependents of that person or that person's spouse or domestic partner.

Parents and siblings are by virtue expected to have influence or be influenced by the individual unless otherwise proven. Family members outside of the immediate family are normally not expected to influence or be influenced by the individual. Examples of where non-immediate family members would be considered under the definition of "close members of the family" include situations where they are dependents of the individual, live in the same household, or have strong financial ties.

Control is the power to govern the financial and operating policies of the Police Credit Union Ltd. to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those people who have authority and responsibility for planning, directing, and controlling the activities of the Police Credit Union Ltd., directly or indirectly, including any Director of the Police Credit Union Ltd.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies. Significant influence may be gained by share ownership, statute, or agreement.

Appendix C – Director Core Competencies

Competencies are built through a combination of education, practical work experience previous board experience and director training. At a minimum, directors of "complex" credit unions are expected to attain a STRONG understanding of each of the core competencies and attributes as indicated within the time frames established by the credit union.

Please Note: Descriptions of competencies and competency levels are intended to reflect the oversight responsibilities of directors and are not intended to require higher technical ability and skills than those required by senior management of the day-to-day operations of the credit union.

A strong understanding of these core competencies helps directors to:

- Participate fully in board analysis, discussion, and debate on more complex issues.
- Ensure sufficient information is provided to support analysis and recommendations.
- Mentor new directors and provide greater understanding of competence.
- Challenge management's assumptions when needed and speak out appropriately at board meetings; and
- Make significant contributions to long-range planning.

The core competencies include:

1. Audit & Compliance Oversight
2. Board & CEO Performance
3. Credit Union Operations
4. Financial Literacy
5. Governance & Ethics
6. Leadership
7. Regulatory Environment
8. Risk Management Oversight
9. Strategic Planning
10. Securitization

Audit and Compliance Oversight

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of monitoring and auditing processes required to ensure compliance with the credit union's policies, standards of sound business practices and regulatory requirements.

Competency Level	Audit and Compliance Oversight: Competency Attributes

Basic	• Defines compares and explains:
	  ◦ The role of the audit risk committee
	  ◦ The external audit process and the role of the external auditor
	  ◦ The role and nature of the internal audit function
	  ◦ FSRA's Assessment process
	  ◦ The role of the compliance officer

Good	**Basic PLUS:** • Understands and incorporates in their actions the processes to monitor Board and individual directors to ensure compliance with internal controls, standards of sound business and financial practices and other regulatory requirements. Reads and interprets reports of the compliance officer, external auditor, internal auditor, and the regulators. • Distinguish between the responsibilities of the Audit Risk Committee, the Board, and other committees. Interprets and draws conclusions from the reports of the compliance officer, external auditor, internal auditor, and regulators. • Asks appropriate questions about credit union policies, practices, and reports. • Demonstrates, through actions, a knowledge of resolution strategies to address any material weaknesses and deficiencies. • Contributes to the development of policies to improve controls and compliance. • Ensures that key decisions made by the Board align with established policies, standards of sound business practices and other regulatory and legislative requirements. • Follows up with management to ensure corrective action is taken to rectify deficiencies noted in reports.
Strong	**Good PLUS:** • Analyzes results and reports and contributes to board discussion and debate on complex issues and any material variances or weaknessrelating to audit and compliance. • Interprets and confirms that corrective action taken by management to address material non-compliance situations is identified in internal,external, and regulatory audit reports is appropriate. • Identifies when it is necessary to challenge management for additional information to support conclusions or recommendations. Identifies when a professional, independent opinion isrequired. • Calls upon internal and/or external audit resources to investigate complex variances and non-compliance situations
Expert	**Strong PLUS:** • Interprets corporate, complex regulations and/or legislation for others, including providing regulatory advice. • Lobbies for legislative change to ensure a level playing field for creditunions • Intervenes with regulators on the contentious and sensitive issues. • Through participation on provincial and/or national system committees, identifies appropriate changes to the legislative environment and auditand compliance standards on behalf of the credit union and the credit union sector. • Contributes to the ongoing development and refinement of Standards of Sound Business Practices.

Board and CEO Performance

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the tools and methodologies for monitoring the performance and development of the CEO and for assessing the Board's performance to determine strengths, deficiencies, and areas for improvement.

Competency Level	Board and CEO Performance: Competency Attributes
Basic	• Explains the reporting relationship between the Board and the CEO. • Explains the appropriate approach regarding performance management, feedback, and communications with the CEO.
Good	**Basic PLUS:** • Contributes to the development of the relationship between the Board and the CEO. • Applies the performance and measurement criteria for the Board and the CEO. • Contributes to the ongoing assessment of the CEO's and the Board's performance. • Ensures the use of objective measurement criteria is adopted. • Identifies opportunities for performance improvement in the CEO and Board. • Describes the processes and timing of Board and CEO performance planning and assessment.
Strong	**Good PLUS:** • Contributes to the development of assessment criteria for individual directors, the Board and CEO. • Ensures that the CEO performance criteria and compensation are aligned with the strategic plan and key objectives. • Demonstrates the ability to develop communications designed to createbuy- in to concepts and direction from the Board to the CEO. • Contributes to the development and/or enhancement of the Board's stakeholder communications strategy. • Encourages other Board members to communicate effectively with the CEO. • Proactively manages and effectively communicates the CEO's performance through informal and formal communication. • Develops and initiates the board performance planning and assessment process. • Recognizes when a third-party expert is required. • Identifies and addresses skills/performance gaps on the board and/or CEO.
Expert	**Strong PLUS:** • Leverages connections to other events, decisions and initiativeswhen developing and presenting communications to the CEO. • Ensures fit between the credit union's culture, values, and beliefs and those of the CEO. • Uses mediation skills to resolve conflicts or performance gaps on the board and/or with the CEO. • Uses influence to create shifts in beliefs and/or values • Leads and/or contributes to discussion about the impact of the credit union in the community and/or in the credit union sector both provincially and nationally.

Credit Union Operations

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of how the credit union's infrastructures inter-relate and how they enable the effective and efficient delivery of services while managing risk and regulatory requirements.

Competency Level	Credit Union Operations: Competency Attributes
Basic	• Defines the nature and extent of the credit union's operations and service areas. • Distinguishes between the Board's and CEO's responsibilities related to operations. • Outlines the impact of operational weaknesses on depositor satisfaction and financial performance.
Good	**Basic PLUS:** • Understands the credit union's operational infrastructure and how its components interrelate. • Understands the credit union's business powers, major lines of business, services, and delivery channels. • Understands the membership profile and the nature and profile of major business segments. • Effectively compares operational efficiency against industry standards and best practices. • Recognizes the impact of strategic plans and objectives on operational effectiveness and operational efficiency. • Asks questions and evaluates information and management recommendations on costs, benefits and risks involved in major operational decisions. • Recognizes and seeks third party expertise when required.
Strong	**Good PLUS:** • Understands the nature and extent of non-core business activities including any subsidiaries. • Apply policy related to human resources practices, including competency requirements for senior management personnel. • Analyzes the strategies, data, and/or recommendations to improve operational effectiveness or resolve operational weaknesses. • Fosters an environment of innovation in service delivery and strategies related to such innovations. • Discusses and evaluates policy recommendations with respect to their impact on operations. • Identifies and understands best practices related to operational efficiencies, such as outsourcing or collaborative strategies.
Expert	**Strong PLUS:** • Fosters an environment of innovation in service delivery and strategies related to such innovations. • Identifies best practices related to operational efficiencies, such as outsourcing or collaborative strategies.

Financial Literacy

To achieve this competency, directors should demonstrate an appropriate level of financial knowledge and understanding and can interpret financial reports and statements and monitor corrective action to ensure financial goals and regulatory requirements are met.

Competency Level	Financial Literacy: Competency Attributes
Basic	• Reviews financial reports, financial statements and operational plans & budgets prepared by management. • Seeks clarification of those areas that are not understood. • Understands basic budgeting process and financial objectives and budgets. • Understands basic financial statements, i.e., balance sheet and income statement. • Reviews financial reports presented by management and asks appropriate questions. • Knows statutory requirements.
Good	**Basic PLUS:** • Understands basic financial analysis concepts and tools. • Can explain the nature and purpose of all financial reports prepared by management, and the purpose and uses of key financial ratios, financial trends, performance benchmarks and system/group comparison reports. • Identifies variances between actual financial performance and established financial budget and targets and understands the nature and extent of recommendations to address material variances. • Understands the concept of materiality with respect to financial statement information and variances. • Ensure additional explanations and information are provided for any material variances including action plans.
Strong	**Good PLUS:** • Understands the national, provincial, and local micro and macro-economic factors that can affect the credit union's operations. • Explains and interprets the interrelationship of financial ratios and howthey impact other areas. • Interprets financial results and reports and ensures the board conducts sufficient oversight and discussion on recommended strategies to address and material variances. • Recommends the use of external resources to investigate any significant issues or "red flags" that may arise or to validate the credit union's financial policies, plans, controls, and procedures where material weaknesses persist.
Expert	**Strong PLUS:** • Understands the concepts of global financial markets and the forces that shape them. • Categorizes complexities of various financial instruments and their use. • Contributes to the pursuit of change in legislated financial requirements through participation on provincial and national system committees.

Governance and Ethics

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the critical elements of good governance and ethics.

Competency Level	Leadership: Competency Attributes
Basic	• Understands the governance structure of the credit union and the responsibilities of directors and the Board. • Understands what corporate governance is and how it is applied to the credit union environment. • Explains the importance, necessity and meaning of "independent," "accountable," "transparency," "prudent" and "fiduciary." • Recognizes the role of ethics (code of conduct) and personal integrity in acting in the best interests of the credit union and safeguards confidential and sensitive information. • Explains the roles of and interrelationships between the Board; Board and regulators; Board and senior management. • Explains the credit union's strategic direction and corporate values. • Complies with the credit union's policies. • Acts in accordance with Co-operative Principles. • Acts with integrity and ethics in making decisions. • Exercises due care and diligence.

Good	**Basic PLUS:**
	• Uses existing governance framework to evaluate, create and implement policies to enhance value.
	• Contributes fully to the board and governance structures by:
	  • asking appropriate questions,
	  • identifying material variances or deficiencies,
	  • being prepared for meetings,
	  • seeking independent advice or expertise,
	  • supporting board decisions.
	• Provides sound input into the credit union's strategic direction and plans.
	• Assesses goals, objectives, risks, and opportunities relative to strategic direction.
	• Oversee the credit union's performance relative to strategic direction and implementation.

Strong	**Good PLUS:** • Mentors board members to enhance their competence in democratic governance. • Oversee the ongoing evaluation of the Board's governance structures. • Assesses adequacy of governance policies, processes and procedures and code of conduct and makes recommendations for change. • Identifies interrelationships and evaluates inherent risks and opportunities in the financial services environment and recommends appropriate action. • Independently assesses impacts of decisions related to risks and opportunities. • Describes how changes in regulatory environment impact the best practices in credit union governance. • Analyzes past experiences and applies the concepts and learning to new situations. • Champions continuous learning within the board regarding the innovations in governance structures and how they can be incorporated into their credit union's governance regime.
Expert	**Strong PLUS:** • Collaborate with other experts to recognize and articulate best practices in democratic governance. • Demonstrates breakthrough thinking in the field of democratic governance.

Leadership

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encouraging on-going education to further develop competencies.

Competency Level	Leadership: Competency Attributes
Basic	• Communicates ideas and opinions clearly. • Understands effective leadership characteristics. • Identifies personal leadership characteristics. • Build trust through honest and open communication and mutual respect.
Good	**Basic PLUS:** • Identifies board dynamics including different approaches and styles. • Constructively influences board dynamics. • Utilizes communication/facilitation techniques to encourage debate, dialogue, and discussion. • Collaborate with fellow directors to build consensus. • Contributes to a constructive and open environment for the expression of diverse ideas and opinions. • Considers resource and support requirements of strategic initiatives.
Strong	**Good PLUS:** • Champions continuous learning and renewal within boards, including the successful recruitment of new board members, director training and continuing education. • Acts as an ambassador for the credit union within the community. • Fosters innovation, creativity, and shared understanding. • Encourages debate and diverse opinions and mediates to reach consensus. • Determines when more information or outside advice is required. • Clearly communicates rationale for decisions to key stakeholders.
Expert	**Strong PLUS:** • Networks strategically to stay on the leading edge of new developments and partnership opportunities. • Leads the conceptualization of large-scale changes in industry direction through participation on provincial legislative and regulatory revisions and national system committees. • Leverages networks with key stakeholders to influence the resolution of regulatory and other issues.

Regulatory Environment

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the regulatory environment, policy development and the policies required to meet legal, regulatory and governance requirements.

Competency Level	Regulatory Environment: Competency Attributes

Basic	• Explain and describe the:
	  ◦ Role of the Ministry of Finance,
	  ◦ Financial Services Commission of Ontario,
	  ◦ Deposit Insurance Corporation of Ontario/Financial Services Regulatory Services of Ontario
	  ◦ Responsibilities of directors' relative to policy creation andmonitoring,
	  ◦ Responsibilities of the Board policy creation andmonitoring.
	• Identifies the regulatory environment including the Act, regulations, FSRA Rules and sound business practices as well as the credit union's by-laws, policies, and processes.

Good	**Basic PLUS:** • Demonstrates knowledge of the Credit Union and Caisses Populaires Act, Regulations, and other relevant legislation. • Understands the credit union's by-laws and related policies. • Promotes regulatory compliance. • Identifies gaps in the credit union's policies and compliance with regulatory requirements. • Initiates policy enhancements to deal with gaps. • Determines the policy framework i.e., the areas in which policies are required and why.
Strong	**Good PLUS:** • Explains the application of relevant policies and the principles upon which they are built. • Can interpret the Credit Union and Caisses Populaires Act andRegulations as well as other applicable legislation. • Explains the rationale for policy changes and the impact of such changes on the credit union's compliance with policies and sound business standards and practices. • Contributes to strength of credit union sector through strong leadership related to compliance, improved communication and shared understanding by credit unions and the regulator on these issues.
Expert	**Strong PLUS:** • Participates in the drafting of new legislation and regulations through the provincial and/or national organizations. • Understands the fine points of legislation and regulations relevant to own position as a director, interpreting them, providing comments to policy makers, and supporting others in ensuring compliance.

Risk Management Oversight

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the risk management framework for identifying, measuring and managing significant risks and events that may impact the credit union's objectives.

Competency Level	Risk Management Oversight: Competency Attributes
Basic	• Understands the areas of risk to which the credit union may be exposed. • Understands the risk management framework and policies of the credit union. • Understands the purpose and requirements FSRA By-law #5. • Understands FRSA's assessment process. • Explains the role of the Board in risk management oversight.

Good	**Basic PLUS:**
	• Explains and describes the nature of risks and risk management activities related to:
	  ◦ Governance
	  ◦ Capital management
	  ◦ Credit risk management
	  ◦ Operational risk management
	  ◦ Market risk management
	  ◦ Structural risk management
	  ◦ Liquidity risk management
	• Understands the significant risks to the credit union.
	• Understands criteria for measuring risk.
	• Understands the nature and extent of any material outsourcing, subsidiaries, and securitization transactions.
	• Describes the extent of any material non-core business activities and subsidiaries.
	• Understands the Board's risk assessment tools and risk management reports.
	• Monitors risk management activities.
	• Identifies areas of significant risk exposure in management reports.
	• Interprets the results of the FSRA assessment and internal/external auditors and makes decisions to manage and address identified risks.

Strong	**Good PLUS:** • Understands what an Enterprise Risk Management framework is. • Assesses the credit union's risk appetite and tolerances. • Provides direction to management on implementation of an enterprise risk management system. • Integrates all elements of enterprise risk management into the strategic risk management process. • Confirms the capacity of the credit union to withstand risk exposure levels. • Interprets risk management policies and recommends changes to mitigate excessive exposure. • Ensures strategic objectives are integrated into the ERM.
Expert	**Strong PLUS:** Identifies potential long-term risks and opportunities in the Canadian financial services environment and credit union sector.

Strategic Planning

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the strategic planning process and contribute to the development of the strategic direction, core values and the strategic goals and objectives for the credit union.

Competency Level	Strategic Planning: Competency Attributes
Basic	• Understands the vision, mission, and core values of the credit union. • Is aware of the organization's strategies and plans through ongoing review, monitoring and discussion and is aware of their role in the process. • Describes the strategic planning process and tools. • Seeks information about the strategic management process and related management reporting.
Good	**Basic PLUS:** • Applies knowledge of corporate goals, strategies, and objectives to evaluate reports and recommendations presented by management. • Uses independent and objective oversight when evaluating the reports and recommendations presented by management. • Collaborates with fellow directors to build a consensus on strategic plans and initiatives. • Participates in the development and communication of the credit union's vision, mission, and corporate values.
Strong	**Good PLUS:** • Seeks information in areas such as the credit union's concerns, the competitive environment and industry trends and standards. • Explains the measures of success. • Recognizes and promotes potential strategic opportunities. • Weighs the risk/benefit of the credit union's strategic initiatives in identifying their impact and establishing priorities. • Identifies and communicates the indicators and measures for success for the credit union. • Analyzes capacity and competencies in staffing and financial resources for strategic initiatives.
Expert	**Strong PLUS:** • Collaborates with experts to develop a framework and policies for strategic plans and initiatives at a credit union system level. • Leads the conceptualization of and planning for large scale changes in industry direction and key federal statutes through participation on provincial legislative and regulatory revisions and national system committees.

Securitization

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of secularization and how it contributes to the funding objectives of the credit union.

Competency Level	Securitization: Competency Attributes
Basic	• Understands the basic concepts of securitization and is familiar with the terminology. • Is aware of the organization's securitization strategies and plans through ongoing review, monitoring and discussion and is aware of their role in the process. • Describes the securitization process and tools, and roles and responsibilities of various parties
Good	**Basic PLUS:** • Applies knowledge of securitization goals, strategies, and objectives to evaluate reports and recommendations presented by management. • Uses independent and objective oversight when evaluating the reports and recommendations presented by management. • Understands securitization risks and mitigation strategies
Strong	**Good PLUS:** • Understands more complex securitization programs and terminology • Seeks information in areas such as the credit union's concerns, the competitive environment and industry trends and standards. • Understands external stakeholder reports and other external parties including ERM, Internal and external Audit. • Weighs the risk/benefit of the credit union's securitization initiatives in identifying their impact and establishing priorities. • Analyzes capacity and competencies in staffing and financial resources for securitization initiatives.
Expert	**Strong PLUS:** • Collaborates with experts to develop a framework and policies for securitization plans and initiatives at a credit union system level.